

DATE IN 11/30/06	SUSPENSE	BROOKS ENGINEER	LOGGED IN 12/1/06	TYPE NSL	APP NO. p-TD506-33531792
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ABOVE THIS LINE FOR DIVISION USE ONLY

**NEW MEXICO OIL CONSERVATION DIVISION**  
 - Engineering Bureau -  
 1220 South St. Francis Drive, Santa Fe, NM 87505



*Cimarex*  
*Pipeline Deep 6 Feb #1*  
**5228-A**

**ADMINISTRATIVE APPLICATION CHECKLIST**

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

**Application Acronyms:**

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

*James Bruce*  
 Signature

Attorney for Applicant  
 Title

jamesbruc@aol.com  
 e-mail Address

2006 NOV 30 AM 9 11

11/24/06  
 Date

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

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SANTA FE, NEW MEXICO 87501

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(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

November 29, 2006

Hand delivered

Mark E. Fesmire, P.E.  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Fesmire:

Pursuant to Division Rule 104.F(2), Cimarex Energy Co. of Colorado applies for approval of (i) an unorthodox gas well location, and (ii) an unorthodox oil well location, for the following well:

<u>Well name:</u>	Pipeline Deep 6 Fed. Well No. 1	30-025-37547
<u>Well location:</u>	2300 feet FSL & 1650 feet FEL	
<u>Well units:</u>	(i) <u>gas well:</u>	Lots 6, 7, E½SW¼, and SE¼ (S½) §6
	(ii) <u>oil well:</u>	N½SE¼ §6

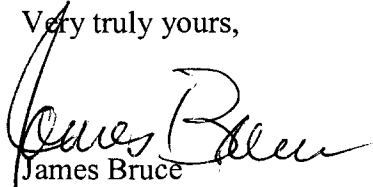
19S-34E, Lea County, New Mexico

The well was drilled to a depth sufficient to test the Morrow formation, and the unorthodox Morrow location was approved by Amended Administrative Order NSL-5288 (attached as Exhibit A). Applicant intends to attempt uphole completions in (a) the Atoka formation, and (b) the Bone Spring formation (EK-Bone Spring Pool). Form C-102's for each zone are attached as Exhibits B and C.

The Atoka formation is a gas zone developed on the Division's statewide rules (320 acre well units and wells to be no closer than 660 feet to a quarter section line). Under Order No. R-4981, the Bone Spring formation is spaced on 80 acres, with wells to be located within 150 feet of the center of a quarter-quarter section. Therefore, the location is unorthodox in both the Atoka and Bone Spring formations.

As discussed in the original application for the Morrow unorthodox location, ownership in the N½ §6 is the same as in the S½ §6. Therefore, there are no adversely affected offset interest owners, and no one has been notified of the application.

Very truly yours,

A handwritten signature in cursive script, appearing to read "James Bruce". The signature is written in dark ink and is positioned above the printed name "James Bruce".

James Bruce

Attorney for Cimarex Energy Co. of Colorado

August 18, 2006

**Cimarex Energy Company of Colorado**  
**c/o James Bruce**  
**P. O. Box 1056**  
**Santa Fe, New Mexico 87504**

**AMENDED Division Administrative Order NSL-5288**

Dear Mr. Bruce:

Reference is made to the following: (i) your application (*administrative application reference No. pTDS0-620956048*) filed on behalf of the current operator, Cimarex Energy Company of Colorado ("Cimarex"), and submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on July 28, 2006; and (ii) the Division's records in Artesia and Santa Fe, including the file on Division Administrative Order NSL-5288: all concerning Cimarex's request to amend Division Administrative Order NSL-5288, dated October 20, 2005, which order granted Gruy Petroleum Management Company's ("Gruy") request to drill its Pipeline Deep "6" Federal Well No. 1 (*API No. 30-025-37547*) at an unorthodox Morrow gas well 2300 feet from the South line and 1750 feet from the East line (Unit J) of Section 6, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico, within the S/2 equivalent (Lots 6 and 7, the E/2 SW/4, and the SE/4) of Section 6, being a standard 316.00-acre lay-down deep gas spacing unit within the North Quail Ridge-Morrow Gas Pool (*83320*).

It is the Division's understanding that Gruy drilled this well (spud date: January 9, 2006) to a total depth of 13,576 feet at an location 100 feet to the east of the proposed location in order to accommodate a larger rig then originally planned. On May 1, 2006 Cimarex became the successor operator of this well.

Your application for Cimarex to amend Division Administrative Order NSL-5288 has been duly filed under the provisions of Division Rules 104.F and 1210.A (2) [formerly Division Rule 1207.A (2), see Division Order No. R-12327-A, issued by the New Mexico Oil Conservation Commission in Case No. 13482 on September 15, 2005].

By the authority granted me under the provisions of Division Rule 104.F (2) the above-described unorthodox deep Morrow gas well location, being 2300 feet from the South line and 1650 feet from the East line (Unit J) of Section 6] for Cimarex's Pipeline Deep "6" Federal Well No. 1 is hereby approved.

EXHIBIT

A

**Cimarex Energy Company of Colorado**  
**AMENDED Division Administrative Order NSL-5288**

**August 18, 2006**

**Page 2**

Further, Division Administrative Order NSL-5288 shall be amended to reflect this location change; all other provisions of Division Order NSL-5288 shall remain in full force and effect until further notice.

Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.  
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Hobbs  
U. S. Bureau of Land Management – Carlsbad  
File: Division Administrative Order NSL-5288

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## DISTRICT I

1625 N. FRENCH DR., HOBBBS, NM 88240

## DISTRICT II

1301 W. GRAND AVENUE, ARTESIA, NM 88210

## DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

## DISTRICT IV

1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

## State of New Mexico

Energy, Minerals and Natural Resources Department

## OIL CONSERVATION DIVISION

1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102

Revised JUNE 10, 2003

Submit to Appropriate District Office

State Lease - 4 Copies

Fee Lease - 3 Copies

## WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-37547	Pool Code	Pool Name
Property Code	Property Name PIPELINE DEEP 6 FEDERAL	Well Number 1
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3804'

## Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	19-S	34-E		2300	SOUTH	1650	EAST	LEA

## Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	Joint or Infill N	Consolidation Code	Order No. UWL-Pending						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4	LOT 3	LOT 2	LOT 1
43.27 AC	45.30 AC	45.16 AC	45.03 AC
LOT 5	GEODETIC COORDINATES NAD 27 NME  $Y=614855.3$ N $X=726879.3$ E  $LAT.=32^{\circ}41'17.41''$ N $LONG.=103^{\circ}35'45.24''$ W		
38.06 AC	3807.0'	3805.2'	
LOT 6	600'	1650'	
	3805.5'	3802.7'	
38.02 AC			
LOT 7			
37.98 AC			

**EXHIBIT B**

**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Zeno Farris  
Signature  
Zeno Farris  
Printed Name  
Mgr Operations Admin  
Title  
09-19-06  
Date

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief.

NOVEMBER 9, 2005

Date Surveyed  
Signature & Seal of Professional Surveyor  
Certificate No. GARY EIDSON 12041  
RONALD EIDSON 3239

DISTRICT I  
1625 N. FRENCH DR., HOBBBS, NM 88240

DISTRICT II  
1301 W. GRAND AVENUE, ARTESIA, NM 86210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION  
1220 SOUTH ST. FRANCIS DR.  
Santa Fe, New Mexico 87505

Form C-102  
Revised JUNE 10, 2003  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-37547	Pool Code	Pool Name E-K; Bone Spring
Property Code 35160	Property Name PIPELINE DEEP 6 FEDERAL	Well Number 1
OGRID No. 162683	Operator Name Cimarex Energy Co. of Colorado	Elevation 3804'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	6	19-S	34-E		2300	SOUTH	1650	EAST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 80	Joint or Infill	Consolidation Code	Order No. Pending- UWL						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

LOT 4	LOT 3	LOT 2	LOT 1
43.27 AC LOT 5	45.30 AC GEODETTIC COORDINATES NAD 27 NME Y=614855.3 N X=726879.3 E LAT.=32°41'17.41" N LONG.=103°35'45.24" W	45.16 AC	45.03 AC
38.06 AC LOT 6		3807.0' 3805.5'	3805.2' 3802.7'
38.02 AC LOT 7		2300'	

EXHIBIT

OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

*Zeno Farris*  
Signature  
Zeno Farris  
Printed Name  
Mgr Operations Admin  
Title  
09-19-06  
Date

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

NOVEMBER 9, 2005

Date Surveyed  
Signature of Professional Surveyor  
Professional Surveyor  
RONALD EIDSON  
3239  
11/11/05  
Certification No. GARY EIDSON 12641  
RONALD EIDSON 3239